



General Assembly

February Session, 2008

Raised Bill No. 5526

LCO No. 1485

01485_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING NEW HOME CONSTRUCTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-417b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 (a) No person shall engage in the business of new home
4 construction or hold himself or herself out as a new home construction
5 contractor unless such person has been issued a certificate of
6 registration by the commissioner in accordance with the provisions of
7 sections 20-417a to 20-417j, inclusive. No new home construction
8 contractor shall be relieved of responsibility for the conduct and acts of
9 its agents, employees or officers by reason of such new home
10 construction contractor's compliance with the provisions of sections
11 20-417a to 20-417j, inclusive.

12 (b) Any person seeking a certificate of registration shall apply to the
13 commissioner, in writing, on a form provided by the commissioner.
14 The application shall include (1) the applicant's name, business street
15 address and business telephone number, (2) the identity of the insurer
16 that provides the applicant with insurance coverage for liability, (3) if

17 such applicant is required by any provision of the general statutes to
18 have workers' compensation coverage, the identity of the insurer that
19 provides the applicant with such workers' compensation coverage, and
20 (4) if such applicant is required by any provision of the general statutes
21 to have an agent for service of process, the name and address of such
22 agent. Each such application shall be accompanied by a fee of one
23 hundred twenty dollars, except that no such application fee shall be
24 required if such person has paid the registration fee required under
25 section 20-421 during any year in which such person's registration as a
26 new home construction contractor would be valid.

27 (c) Certificates issued to new home construction contractors shall
28 not be transferable or assignable.

29 (d) All certificates issued under the provisions of sections 20-417a to
30 20-417j, inclusive, shall expire biennially. The fee for renewal of a
31 certificate shall be the same as the fee charged for an original
32 application, except that no renewal fee is due if a person seeking
33 renewal of a certificate has paid the registration fee under section 20-
34 427 during any year in which such person's registration as a new home
35 construction contractor would be valid.

36 (e) A certificate shall not be restored unless it is renewed not later
37 than one year after its expiration.

38 (f) Failure to receive a notice of expiration or a renewal application
39 shall not exempt a new home construction contractor from the
40 obligation to renew.

41 (g) Failure of a new home construction contractor to be registered,
42 in accordance with the provisions of sections 20-417a to 20-417j,
43 inclusive, at the time of the execution of a contract for new home
44 construction with a consumer shall render such contract voidable by
45 such consumer.

46 Sec. 2. Section 20-417d of the general statutes is repealed and the

47 following is substituted in lieu thereof (*Effective October 1, 2008*):

48 (a) A new home construction contractor shall (1) prior to entering
49 into a contract with a consumer for new home construction, provide to
50 the consumer a copy of the new home construction contractor's
51 certificate of registration and a written notice that (A) discloses that the
52 certificate of registration does not represent in any manner that such
53 contractor's registration constitutes an endorsement of the quality of
54 such person's work or of such contractor's competency by the
55 commissioner, (B) advises the consumer to contact the Department of
56 Consumer Protection to determine (i) if such contractor is registered in
57 this state as a new home construction contractor, (ii) if any complaints
58 have been filed against such contractor, and (iii) the disposition of any
59 such complaints, and (C) advises the consumer to request from such
60 contractor a list of consumers of new homes constructed to completion
61 by the contractor during the previous twenty-four months and to
62 contact several individuals on the list to discuss the quality of such
63 contractor's new home construction work, (2) state in any
64 advertisement, including any advertisement in a telephone directory,
65 the fact that such contractor is registered, and (3) include such
66 contractor's registration number in any such advertisement. The new
67 home construction contractor, or his agent, shall also discuss with the
68 consumer the installation of an automatic fire extinguishing system in
69 a new home.

70 (b) A new home construction contractor shall include in every
71 contract with a consumer a provision advising the consumer that the
72 consumer may be contacted by such contractor's prospective
73 consumers concerning the quality and timeliness of such contractor's
74 new home construction work, unless the consumer advises such
75 contractor, in writing, at the time the contract is executed, that the
76 consumer prefers not to be contacted.

77 (c) (1) The written notice required in subsection (a) of this section
78 shall be in capital letters not less than ten-point bold face type, and

79 may include a statement in substantially the following form:

80 "NEW HOME CONSTRUCTION CONTRACTOR

81 REGISTRATION NOTICE

82 A CERTIFICATE OF REGISTRATION AS A NEW HOME
83 CONSTRUCTION CONTRACTOR DOES NOT REPRESENT IN ANY
84 MANNER THAT THE CONNECTICUT DEPARTMENT OF
85 CONSUMER PROTECTION ENDORSES THE QUALITY OF THE
86 CONTRACTOR'S NEW HOME CONSTRUCTION WORK OR THE
87 CONTRACTOR'S COMPETENCY TO ENGAGE IN NEW HOME
88 CONSTRUCTION.

89 ACCORDINGLY, YOU ARE ADVISED TO:

90 (1) REQUEST FROM THE CONTRACTOR A LIST OF
91 CONSUMERS OF NEW HOMES CONSTRUCTED TO COMPLETION
92 BY THE CONTRACTOR DURING THE PREVIOUS TWENTY-FOUR
93 MONTHS,

94 (2) CONTACT SEVERAL INDIVIDUALS ON THE LIST TO
95 DISCUSS THE QUALITY AND THE TIMELINESS OF THE
96 CONTRACTOR'S NEW HOME CONSTRUCTION WORK, AND

97 (3) CONTACT THE DEPARTMENT OF CONSUMER
98 PROTECTION TO VERIFY THE REGISTRATION INFORMATION
99 PRESENTED BY THE CONTRACTOR AND TO ASCERTAIN THE
100 CONTRACTOR'S COMPLAINT HISTORY WITH THE
101 DEPARTMENT.

102 IN ADDITION, YOU ARE ADVISED TO DISCUSS WITH THE
103 NEW HOME CONSTRUCTION CONTRACTOR:

104 (1) WHETHER THE CONTRACTOR HAS A CUSTOMER SERVICE
105 POLICY AND IF SO, THE IDENTITY OF THE PERSON
106 DESIGNATED TO ASSIST YOU IN RESOLVING ANY COMPLAINT

107 ABOUT THE CONTRACTOR'S WORK,

108 (2) WHETHER THE CONTRACTOR WILL HOLD YOU
109 HARMLESS FOR WORK PERFORMED BY ANY SUBCONTRACTOR
110 HIRED BY THE CONTRACTOR, AND

111 (3) THE INSTALLATION OF AN AUTOMATIC FIRE
112 EXTINGUISHING SYSTEM.

113 THIS NOTICE DOES NOT CONTAIN AN EXHAUSTIVE LIST OF
114 THE INQUIRIES YOU SHOULD MAKE BEFORE CONTRACTING
115 WITH A NEW HOME CONSTRUCTION CONTRACTOR.
116 ADDITIONAL INFORMATION TO ASSIST YOU IN YOUR
117 SELECTION OF A NEW HOME CONSTRUCTION CONTRACTOR
118 MAY BE OBTAINED BY CONTACTING THE CONNECTICUT
119 DEPARTMENT OF CONSUMER PROTECTION."

120 (2) The failure of a new home construction contractor to comply
121 with the requirements of subsection (a) of this section shall render a
122 new home construction contract between such new home construction
123 contractor and a consumer voidable by such consumer.

124 (d) No person shall: (1) Present, or attempt to present as such
125 person's own, the certificate of another; (2) knowingly give false
126 evidence of a material nature to the commissioner for the purpose of
127 procuring a certificate; (3) represent such person falsely as, or
128 impersonate, a registered new home construction contractor; (4) use or
129 attempt to use a certificate which has expired or been suspended or
130 revoked; (5) engage in the business of a new home construction
131 contractor or hold himself or herself out as a new home construction
132 contractor without having a current certificate of registration under
133 sections 20-417a to 20-417j, inclusive; (6) represent in any manner that
134 such person's registration constitutes an endorsement of the quality of
135 such person's work or of such person's competency by the
136 commissioner; or (7) fail to refund a deposit paid to a new home
137 construction contractor not later than ten days after a written request

138 mailed or delivered to the new home construction contractor's last
 139 known address, if (A) the consumer has complied with the terms of the
 140 written contract up to the time of the request, (B) no substantial
 141 portion of the contracted work has been performed at the time of the
 142 request, (C) more than thirty days has elapsed since the starting date
 143 specified in the written contract or more than thirty days has elapsed
 144 since the date of the contract if such contract does not specify a starting
 145 date, and (D) the new home construction contractor has failed to
 146 provide a reasonable explanation to the consumer concerning such
 147 contractor's failure to perform a substantial portion of the contracted
 148 work. For purposes of this subdivision, "substantial portion of the
 149 contracted work" includes, but is not limited to, work performed by
 150 the new home construction contractor to (i) secure permits and
 151 approvals, (ii) redraft plans or obtain engineer, architect, surveyor or
 152 other approvals for changes requested by the consumer or made
 153 necessary by site conditions discovered after the contract is executed,
 154 (iii) schedule site work or arrange for other contractors to perform
 155 services related to the construction of the consumer's new home, and
 156 (iv) do any other work referred to in the contract as a "substantial
 157 portion of the contracted work".

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	20-417b
Sec. 2	<i>October 1, 2008</i>	20-417d

Statement of Purpose:

To provide additional protection to consumers in contracts for new home construction.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]